GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:508
ANSWERED ON:25.04.2003
BLACK MARKETING OF FOODGRAINS
ABDUL RASHID SHAHEEN;RATNA SINGH

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government have conducted any study of the quantity of foodgrains and other items finding their way to black market from the Public Distribution System;

(b) if so, the outcome thereof;

(c) the details of action taken by the Government to plug such losses; and

(d) the details of achievement after action taken to plug such losses?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF STARRED QUESTION NO.508 DUE FOR ANSWER ON 25-04-2003 IN THE LOK SABHA.

A survey conducted by M/s Tata Economic Consultancy Services (TECS) in 1997 had estimated the extent of diversions at the national level in respect, inter alia, of wheat, rice and sugar (with State-wise variations). Relevant extracts of the TECS report were forwarded to the respective States and Union Territories for remedial action.

2. The Public Distribution System (PDS) is implemented under the joint responsibility of the Central and the State Governments/UT Administrations. The Central Government is responsible for the procurement, storage and transportation of the PDS commodities up to the Central Godowns and to make the same available to the States. The responsibility for distribution to consumers through the Fair Price Shops (FPS) and administration of the PDS rests with the State Governments.

3. The steps taken by various State Governments/UTs to check diversion include maintenance of supervision on the FPS dealers, informing consumers about their entitlements and the availability and rates of PDS commodities through, inter alia, the Notice Boards of Fair Price Shops, regular inspection of the Shops, constitution of Vigilance Committees, involvement of Panchayati Raj Institutions in the functioning of the PDS, strengthening of enforcement activity and weeding out of bogus ration cards/units. Detailed Guidelines have also been issued by the Government of India to States/UTs towards greater participation of Panchayati Raj Institutions in the rural areas and of Local Bodies in urban areas to bring about more effective functioning of the PDS.

4. In order to further streamline the PDS and to make the same more accountable and efficient, the Government of India issued the Public Distribution System Control (Order), 2001 under Section 3 of the Essential Commodities Act, 1955. The Order contains provisions empowering the State Governments/UT Administrations to curb diversion, eliminate bogus ration cards and to initiate legal action in respect of erring FPS owners. An offence committed in violation of the provisions of the Order invokes criminal liability under Section 7 of the Act.